



CRD Regional Housing Acquisition Study

Patricia Maloney Consulting



Purpose

- To develop a **Housing Acquisition Strategy for the Capital Region** that will help to respond to the current housing crisis, work with member municipalities and leverage senior government grants.



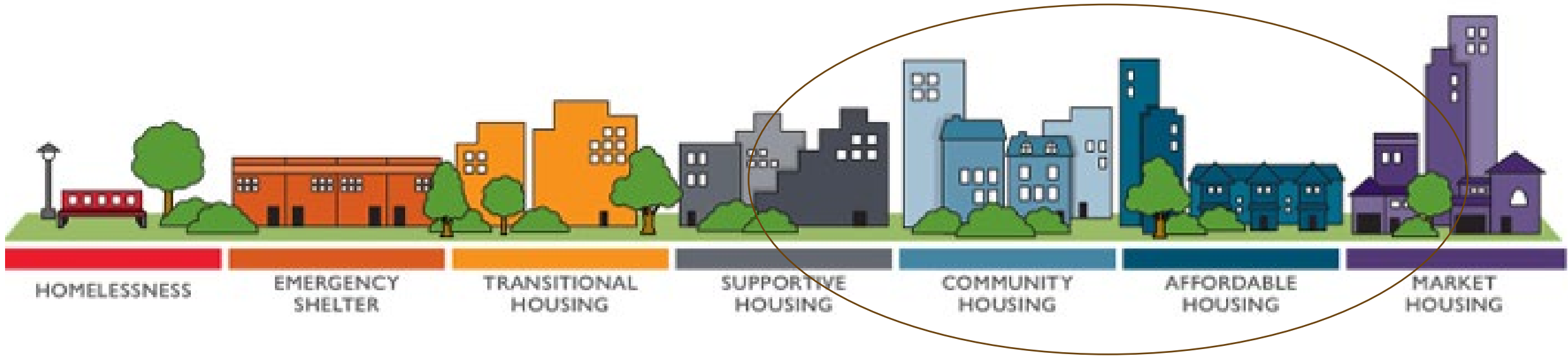
The Project

The CRD engaged our consulting team to prepare a **Regional Housing: Acquisition Strategy**.

The project has provides guidance on locations for affordable housing, recommendations for policy development, options for acquisition that will provide the CRD with most benefit for investment, and a financial model to assess each potential site and develop a proforma for purchase or development of affordable housing.



Housing Continuum(CMHC)



Guidelines for Study

- **Only consider the urban municipalities;**
- **Consider 10 urban municipalities;**
- **Do not consider land outside of the Urban Containment Boundaries;**
- **Use the BC Housing and CMHC definition of affordable (no more than 30% of pre-tax income spent on shelter);**
- **Only address rental units;**
- **Develop a definition of walkability that will be used to identify appropriate locations for affordable housing projects.**

Location Policies

- Build affordable housing close to amenities, services and facilities to reduce the dependence upon personal vehicles
- Allows for parking requirements to be reduced
- Encourages higher density and mixed land use
- Requires frequent transit to key employment centres
- Requires active transportation options (bike paths) and good pedestrian routes (good sidewalks)
- Create community focus points where people can gather and mingle as part of their daily activities.
- Offer improved access to green space and parks.



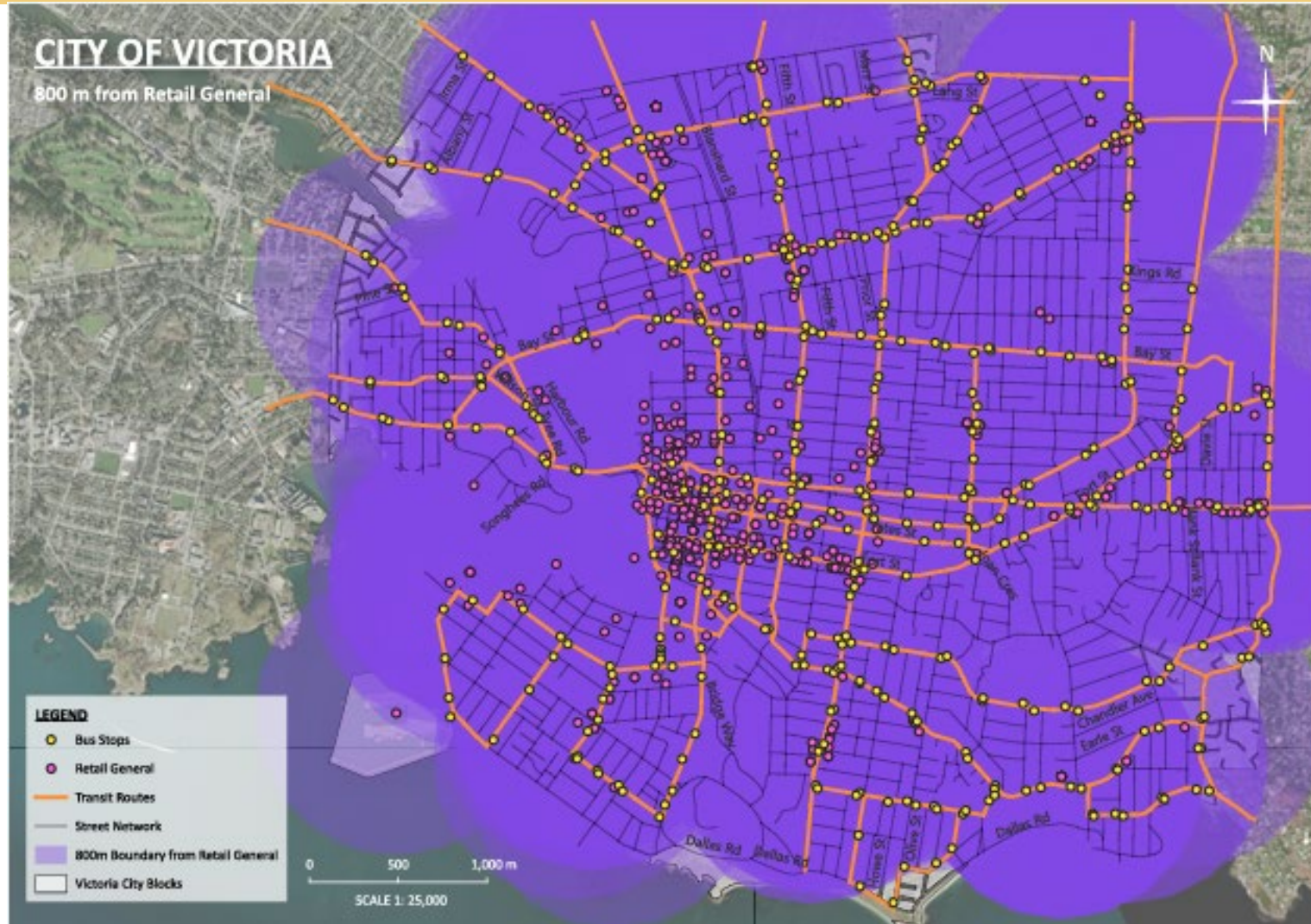
Definition of Walkability

That Lands/real estate will be considered walkable if they are:

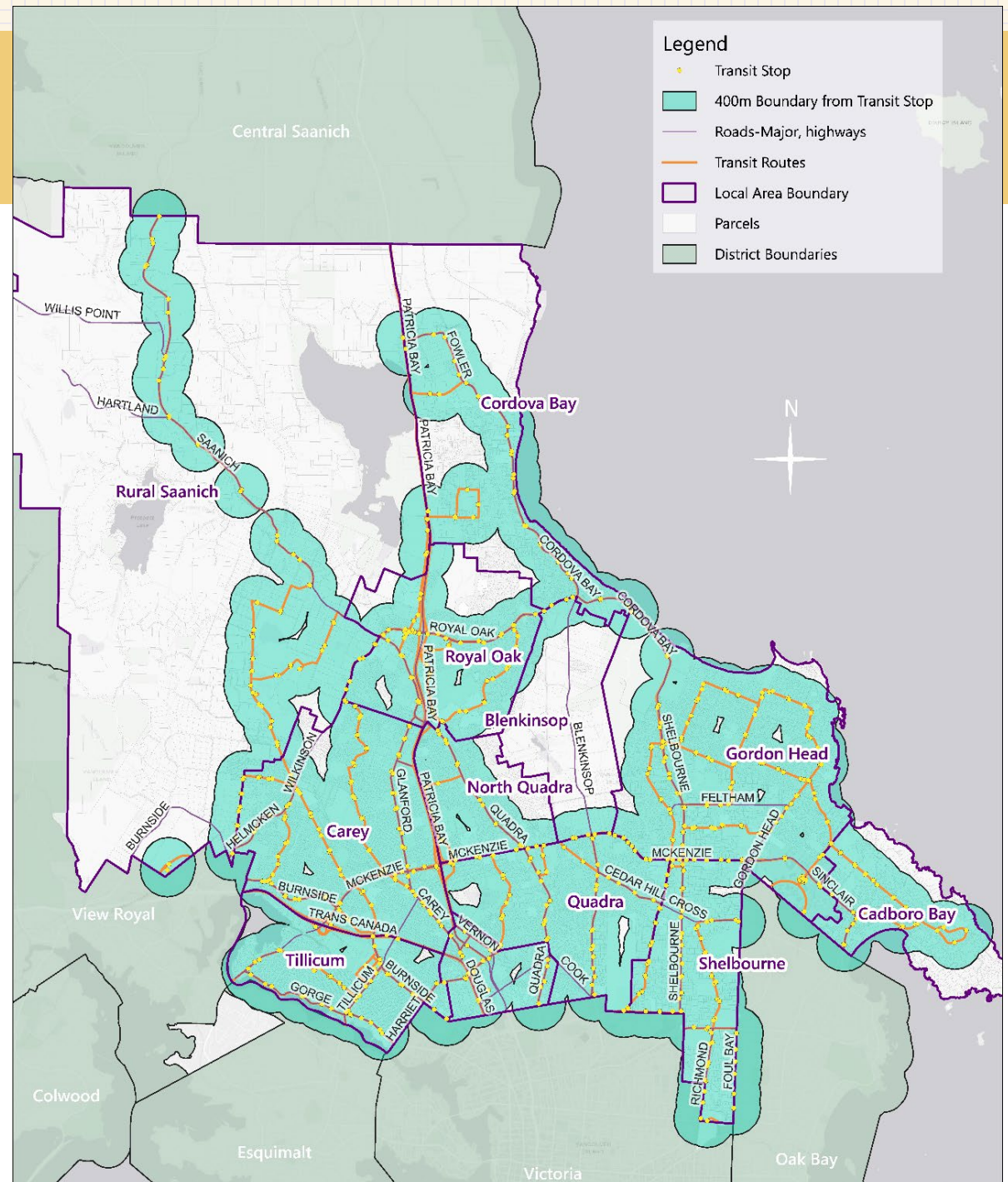
Within 400 meters of a transit stop that provides service with 30 minute or faster service or within 800 meters of three of the following services:

- School/educational facilities,
- Medical services,
- Grocery store and/or shopping centre,
- Financial institutions,
- Government services (social services, child welfare services),
- Parks and recreation,
- Day care,
- Religious/places of worship facilities,
- Employment opportunities,
- Food and beverage services,
- Personal services (insurance, beauty salons and barbershops, health and wellness services, and
- Libraries.

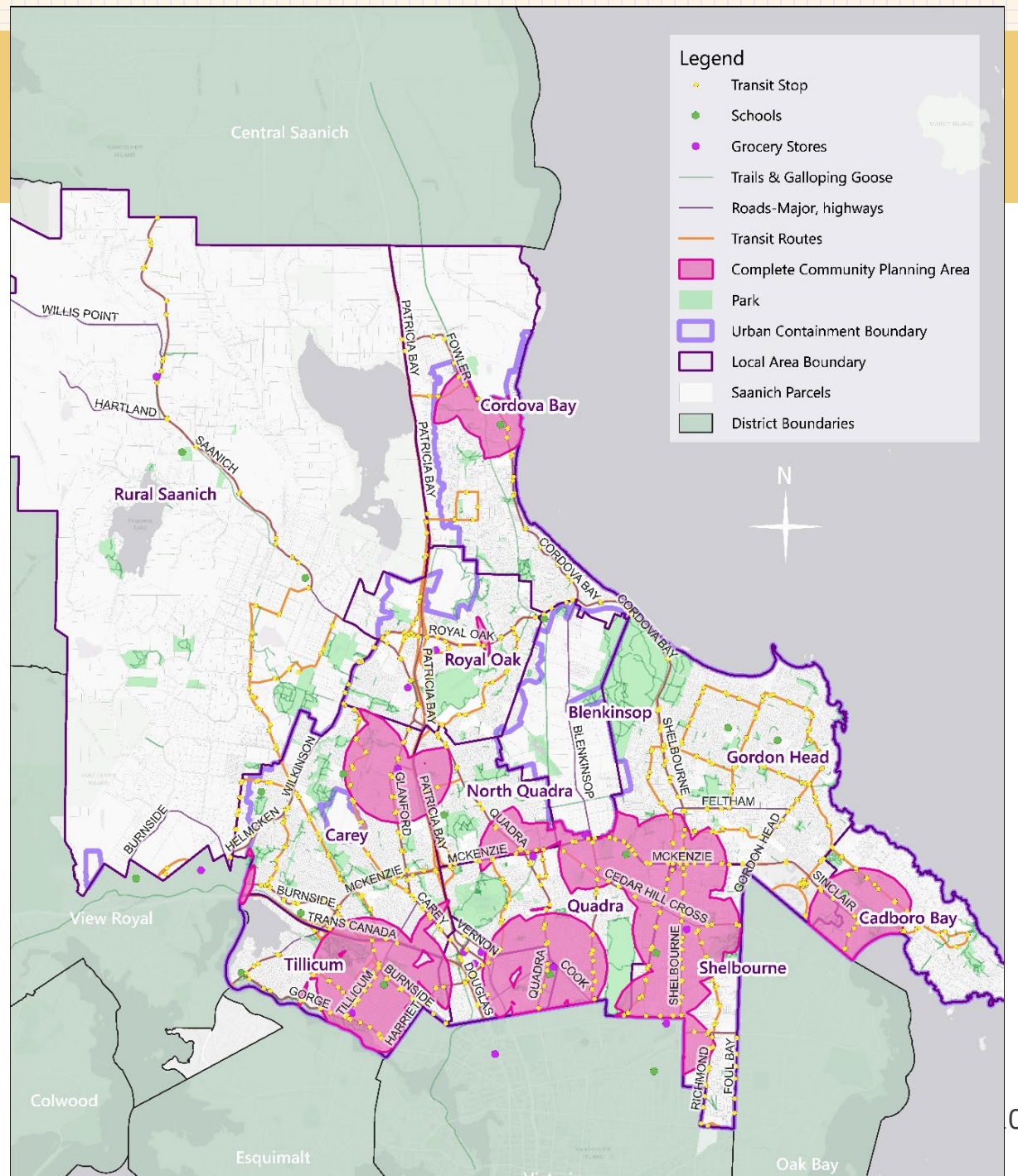
City of Victoria



400 m Transit Walkability for Saanich



Community Services and Facilities Walkability for Saanich



Funding Options

BC Housing

- **Community Housing Fund**
- **Secondary Suite Incentive Program**
- **Affordable Rental Housing**
- **Housing Hub**

CMHC

- **Housing Accelerator Fund**
- **National Housing Co-Investment Fund**
- **Preservation Fund**
- **Affordable Housing Innovation Fund**
- **CGAH Retrofit Funding**
- **Rental Construction Financing Initiative**
- **Seed Funding (to return)**

BC Ministry of Housing

- **Development Application Permit Review**
- **Housing Needs Assessments**
- **Legislative Changes (mandate density, removal of age restrictive stratas, more support for seniors, more money for transitional housing, more funding for indigenous housing)**



Acquisition options include:

1. CRD purchasing land and lease to a third party to build and manage
2. CRD to purchase, build and manage
3. CRD to purchase existing residential multi-family building to ensure affordability
4. CRD buy units in market buildings at turn-key price

It is important to note that while the CRD was developing this strategy, the CRD was also seeking permission to borrow \$85 million for seed money for affordable housing projects. However, the CRD does not have any jurisdiction over land, zoning, development regulations, subdivision or Development Permit Area interpretation. The CRD must work in partnership with the municipalities to identify locations for affordable housing that have municipal support for rezoning and development.

Financial Analysis

- **Ten Geographies**
 - **Victoria, Central Saanich, Sidney, Colwood, Esquimalt, Saanich, Langford, Oak Bay, View Royal, Sooke**
- **Consider rental apartment development at four densities (roughly, 4-storey, 6-storey, 10-storey, 12-storey, 15-storey and 18-Storey apartment buildings)**
- **Use two approaches for supplying affordable housing – CRD buys land/builds/manages, and the CRD buys land and nonprofit builds/manages**
- **Consider three levels of affordability (30%, 40% and 50% of median household income within each geography).**

Components of the Financial Model

Land Costs	Architect fees	Operating Costs
Land Financing	Engineering Fees	Periodic Improvements
Construction Costs	Site Servicing	Structural Reserve Fund
Construction Financing	Site Connections	Tenant Improvements
Property Tax Transfer	DCCs and ACCs	Hard Cost Contingency
Other Closing Costs	Landscaping, Signage and Lighting	Furniture, Fixtures and Equipment
Real Estate fees	Project Management	Survey
Property Taxes	Other Consultants	Accounting
GST	School Site Acquisition Charge	Legal
Rezoning Fee	Research and Appraisal	Insurance
Development Permit Application Fee	Building Permit and Inspection Fees	Utilities

What kind of questions can you answer?

- Identify which projects perform better or worse according to any number of metrics.
- Troubleshoot projects by testing which variables need to change to produce desired outcomes.
- In our case, we will be identifying for each scenario its ratio of CRD equity requirement per affordable unit.

Key Findings

- The CRD must be able to respond to opportunities quickly;
- Utilize lands already owned
- Amend OCP's to identify lands for housing (eliminating public hearings for rezoning);
- Pre-zone lands for housing to reduce the costs and time to process applications;
- Relax DCCs and ACCs;
- Waive fees for affordable housing projects;
- Locate affordable housing in walkable areas;
- Remove or drastically relaxing parking requirements;
- Lobby to improve transit services; and
- Increase densities/ FSR in transit-oriented locations.

Each site and building is assessed individually

It is important to note that the Financial Model presented in this report is an example of how the model would work to prepare a pro forma for each individual project identified. The CRD will input the current information for the specific site. The example review completed for this report was based on current municipal LUB regulations and BC Assessment for land prices.

The Model will allow the CRD to assess each individual site, in collaboration with the home municipality to determine the actual financial viability of each project.



Thank you